

From: "Dana Barnard" <dbrinson@firstbank.com> on 04/11/2006 02:40:05 PM

Subject: Commercial Real Estate Lending

Dear Sirs and Madams,

My name is Dana Barnard, and I am an Assistant Vice President/Credit Analyst II for the First Bank & Trust Company located in Abingdon, VA. I am writing to express my strong opposition to proposed Regulation OP-1248. I feel that this regulation is overkill and will hurt real estate lending, causing an artificial real estate recession. In addition, I feel that the regulation would be especially punitive to the community banks, even those that have strict credit policies and spend numerous hours analyzing all commercial credit decisions. If specific banks are making risky decision, I feel it would be best to regulate them on a case-by-case basis, rather than imposing sweeping corrective measures for the entire industry, which will punish those that have proven their ability to make thoughtful, wise credit decisions. Passing this regulation will force smaller banks to make even riskier choices, by making unsecured loans in an effort to get around the regulation, which would put the industry at even greater risk. In looking back, regulatory overreaction to the Savings & Loan crisis in the late 1980's and early 1990's caused unnecessary harm. I beg you not to repeat the mistakes of the past. As a commercial analyst, I take pride in my work and the credit decisions made by my bank. We are continually praised by bank examiners each time they review our commercial credits, because of our attention to underwriting and our standards for credit quality. We have an extremely low loan-loss percentage year after year because of our strict credit policies and self-imposed regulations. Commercial loans make up a significant part of our portfolio, and while we are not afraid of regulation, I ask that you please do not tie our hands when we have proven ourselves to be excellent creditors by focusing on underwriting and credit quality. I feel very strongly that you should discipline those that need disciplining, but don't punish all for the mistakes made by those specific banks.

Sincerely,

Dana Barnard, AVP/Credit Analyst II
The First Bank & Trust Company
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